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#### ARTICLES:

- (1) US Ambassador to Japan: Completion of alternative facilities a prerequisite for relocating US forces in Japan

ASAHI Kumamoto edition (Full)  
June 9, 2006

US Ambassador to Japan Thomas Schieffer delivered a speech in Osaka on June 8 at the invitation of the Asahi Shimbun. Touching

on the question of realigning US forces in Japan, the ambassador reiterated the US view that the completion of alternative facilities based on Japan's cooperation is a precondition for relocating Okinawa-based US Marines to Guam, Futenma Air Station, and other installations, stating: "US Marines will leave Okinawa only after new facilities are constructed in Guam."

The ambassador also said: "(In terms of security), it is too dangerous to move them when things are not ready." He thus expressed his hope for an early start of construction work for alternative facilities, as was agreed upon by the Japanese and US governments.

The ambassador also underlined Japan's requests regarding bilateral talks on the cost of relocating US Marines, stating:

"There have been many articles saying that the United States is conspiring to make Japan foot the bill. (But in America's view), Okinawa residents asked us to cut the number of troops but not to reduce (military) capabilities, so we simply decided to comply with their requests."

He also sought the understanding of the Japanese people, saying: "Please don't forget that the United States will also pay a large amount of the cost."

(2) US Ambassador Schieffer calls for understanding toward US force realignment in speech in Kumamoto

KUMAMOTO NICHU-NICHU SHIMBUN (Full)  
June 9, 2006

US Ambassador to Japan Thomas Schieffer visited Kumamoto

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Prefecture on June 8 and delivered a speech titled "An outlook on US-Japan relations" at the Kumamoto City International Center in Hanabata-cho. The ambassador highlighted the need for deregulation in Japan and other matters, while seeking understanding regarding the realignment of US forces in Japan. The event, held by the Japan-America Society of Kumamoto (President: Mitsuya Nagano), brought together some 180 people.

Referring to the society's 45th anniversary this year, Schieffer pointed to good relations between Japan and the United States, saying: "Society has changed drastically over the past 45 years. The United States and Japan have fostered good partnership by overcoming the hatred aroused by the war."

The ambassador also referred to the recent bilateral agreement on US force realignment as the most important decision since the revision of the US-Japan Security Treaty, stressing that the presence of US forces in Japan has been deterrence against attacks (on Japan) from other countries. He also indicated that Okinawa's base-hosting burden would be reduced, while the integration of Japan's Self-Defense Forces and US forces in Japan would pick up speed.

The ambassador also underlined the need for additional economic deregulation, saying: "Fair corporate competition must not be inhibited. The survival of companies is decided by the market."

Ahead of delivering the speech, Schieffer had a pleasant talk with Governor Yoshiko Shiotani at the prefectural government office.

(3) Barriers standing in airlines' way to Yokota base

ASAHI (Page 1) (Full)  
Eve., June 10, 2006

Tokyo is now locking on the US Air Force's Yokota base; located in the western district of the metropolis, having targeted the facility for joint use with commercial airlines. Tokyo Governor Shintaro Ishihara made it a public pledge in his gubernatorial election campaign to have the airbase ultimately returned. "We

will start regular domestic flights in a year," Ishihara vowed. Meanwhile, airline companies have asked in writing the Tokyo metropolitan and Japanese governments for commercial use of the airbase. However, some of the local communities hosting the airbase are crying out against such joint military-civilian use, citing such reasons as noise pollution. Prospects still seem poor for a civilian Yokota airport.

"We will have airlines start their domestic regular flights at least in a year, so I hope you will use their services."

Ishihara made this remark on May 24 at a meeting of governors from prefectures in the Kanto region. In the meeting, which was held in Tokyo, Ishihara was full of confidence. Then, on June 6, when Tokyo's metropolitan assembly opened its regular session, Ishihara in his policy speech again referred to the feasibility of Yokota airbase for actual joint use.

Yokota base reversion was Ishihara's campaign pledge when he was first ran for Tokyo's governorship in 1999. The central government has remained silent about this issue. In May, however, Japan and the United States finalized a report on the planned

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realignment of US forces in Japan, incorporating their intergovernmental agreement to study specific conditions and ways for the possible dual use of US military bases and complete their studies within 12 months after their start. "US forces would allow some commercial access (to Yokota)," said an official of the Ministry of Land, Infrastructure and Transport (MLIT)."

On May 31, a study group, including Ishihara's brain trust, released a report of its study of airports in Tokyo's metropolitan area. The report provides an estimate of passenger needs for having a civilian airport at Yokota, specifying a total of 40 flights on seven air routes to and from Shinchitose, Itami, Komatsu, Hiroshima, Fukuoka, Kagoshima, and Naha airports. The report also estimates user needs in the three nearby prefectures of Saitama, Kanagawa, and Yamanashi. It predicts 5.6 million passengers for 2022. Yokota airport is expected to create 8,850 jobs with a tax revenue of 17 billion yen.

Based on this estimate, the Tokyo metropolitan government will negotiate with the United States and other counterparts.

According to the metropolitan government's estimate, the city of Hachioji in Tokyo-one hour and 25 minutes' train ride to Haneda Airport-is 25 minutes to Yokota, and the city of Kawagoe in Saitama Prefecture is one hour and five minutes' train ride, or 20 minutes shorter, to Yokota.

On May 25, Japan Airlines (JAL) and All Nippon Airways (ANA), as if they had waited for Ishihara to come out with that remark, submitted their petitions for the first time to the metropolitan government for flight extensions to Yokota. "There are needs to a certain extent in the Tokyo metropolitan area's western districts that are far from Haneda," an ANA official said. This official added, "It's possible to expect profits if we meet potential needs for flight services."

Even so, it seems difficult to use the Yokota airbase in a year.

According to the final accord, civilian aircrafts must not affect US military operations as a precondition for their joint use of the Yokota airbase. "In the case of 40 flights a day, there will be six flights to and from the base," a senior MLIT official said. This official also said, "I don't think US forces will give way that far."

In 2004, the Tokyo metropolitan government worked out a Yokota dual use plan with MLIT, the Foreign Ministry, and the Defense Agency. The Japanese government has transmitted the plan to the US government. According to this plan, Japanese air carriers are to serve about 17 flights per day to and from Yokota. The foregoing MLIT official said, "The airport starts with a small number of flight services in the beginning, but it can serve many

more flights later on."

Another problem is what to do about the terminal building for passengers. The metropolitan government has plans to lease a US military facility at the airbase or build a simple building on an unused land plot. "If we do so," one airline official said, "it's possible to run flights without taking much time."

However, it is inconceivable that US forces will allow passengers to enter the airbase's highly confidential areas. The US Air Force's Misawa base in Aomori Prefecture is the only base for

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joint use with commercial airlines. The runway is on the premises of the base, but the terminal building for passengers is off base. To build a passenger terminal near the Yokota airbase, there is a need to buy a land lot. "It will take two or three years," one MLIT official said. This official added, "The governor said 'in a year,' but that's probably because he had next year's gubernatorial election in mind."

The most important thing is a local consent.

The Yokota airbase stretches over five cities, including Tachikawa, and a town. None of these municipalities is in favor of commercial airlines' joint use of the airbase, with the exception of Musashimurayama City expecting infrastructure construction and local economic revitalization. Mizuho Town and Akishima City are opposed to the airbase dual use plan, citing noise pollution and other reasons.

Commercial jetliners are less noisier than military jets. However, noise levels will go up with their flights. "It's our job to forge a local consent, but it is the government's job to take noise countermeasures, including compensation," one metropolitan government official said.

The Defense Facilities Administration Agency is in charge of measures to deal with military aircraft noise at Yokota and in its environs. However, one MLIT official deems it possible to deal with aircraft noise even if the base environment becomes somewhat noisier. "The problem," this official went on with his rebuttal, "is how the metropolitan government will obtain local understanding."

(4) Tug-of-war between Abe, Fukuda to intensify after regular Diet session ends this weekend; Focus on Fukuda's decision and manifestos

TOKYO SHIMBUN (Page 2) (Abridged)  
June 12, 2006

Attention in the capitol district of Nagatacho is now focused on the presidential election of the Liberal Democratic Party in September. Coordination is underway centering on a vote on September 20. This means the election could be only 100 days away. The post-Koizumi race would heat up once the ongoing Diet session ends on June 18.

Competition between two Mori faction members

Foreign Minister Taro Aso, Finance Minister Sadakazu Tanigaki, former Chief Cabinet Secretary Yasuo Fukuda, and Chief Cabinet Secretary Shinzo Abe were originally regarded as front-runners in

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the LDP presidential race.

With time, Abe and Fukuda of the Mori faction stood out of the crowd. Former Prime Minister Yoshiro Mori, who heads the faction, then mentioned the option of fielding a single candidate. Prime Minister Junichiro Koizumi immediately objected to it. As a result, Abe and Fukuda stole the show, leaving Aso and Tanigaki far behind.

Rivalry between Abe and Fukuda is evident.

On May 24, Abe voiced his readiness to run in the race. In the

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following week, the Association of Kuronin (persons who have gone through a lot), chaired by Fukuda, held a meeting of some 30 lawmakers aged 50 or older.

A parliamentary group supporting a second chance also held its inaugural meeting on June 2 by bringing together 94 junior and mid-level members supportive of Abe.

Aso and Tanigaki factions

Other factions were not watching Abe and Fukuda quietly.

On March 15, the Niwa-Koga faction, the Tanigaki faction, and the former Kono faction launched an Asia strategic study group. The three factions have their roots in the former Miyazawa faction, or Kochikai. The move stirred a conjecture that it was for launching a grand Kochikai for the presidential race. With Tanigaki and Aso included in those factions, the grand Kochikai initiative is likely to keep attracting attention.

The Shimazu faction's basic strategy is to back a winner, but some junior and mid-level members are preparing to field their own candidate, with Defense Agency Director-General Fukushima Nukaga in mind.

The faction headed by Taku Yamasaki is continuing study sessions with other factions possibly in an effort to find its partners.

Once the ongoing Diet session ends, prospective candidates would throw their hats in the ring at the right timing. Abe intends to announce his candidacy after the July 15-17 St. Petersburg Summit.

At the center of attention is Fukuda, who remains mum on his candidacy. Many observers say that he will not announce his decision until the last moment. If he decided not to run in the race, those critical of Abe would scramble for fielding an "anti-Abe candidate" in place of Fukuda.

Policy debates

After formally announcing their candidacies, presidential candidates would compile manifestos, or campaign pledges, in tandem with searching for official supporters. All manifestos would be out by late August.

After late August, candidates would conduct policy debates at bloc conventions and a variety of roundtable discussions. The contents of their manifestos could determine the outcome of the presidential race.

(5) Fiscal recapitalization; Opposition parties against further spending cut

NIHON KEIZAI (Page 2) (Almost full)  
June 13, 2006

The government and the ruling camp yesterday reaffirmed a policy of cutting government expenditures further with approximately 17 trillion yen as a starting figure to secure funding needed for recapitalizing public finances. They plan to cut expenditures worth 15.5 trillion yen through cuts in personnel costs for local government employees and social security expenditures. However,

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many ruling party members are opposing the idea of cutting expenditures any further. With simultaneous local elections and an Upper House election set for next spring and summer respectively, efforts to draft a specific plan will likely encounter objections.

"They are talking about an utterly unacceptable figure unknown to us. I want the government to reflect seriously."

Liberal Democratic Party (LDP) Policy Research Council Chairman Hidenao Nakagawa during a meeting of the LDP Fiscal Reform Study Council expressed his displeasure about the leak of the Finance Ministry's estimated shortfall of 15.5 trillion yen needed to shift the primary balance into the black in fiscal 2010.

"Decision is to be made by politics"

The 15.5 trillion yen -- below the 17 trillion yen needed to shift the primary balance into the black -- is a figure aimed to serve as a settlement. This target estimated by the Finance Ministry has apparently upset Nakagawa, who is self-confident that it is politics that makes a decision. With pressure against spending cuts mounting in the ruling camp, meticulous behind-the-scene maneuvering will be indispensable for reaching a settlement on this figure.

Thought the government refrained from proposing 15.5 trillion yen in spending cuts during a meeting of the Council on Unified Reform of Fiscal and Economic Systems (URFES) held on June 11, a number of participants voiced objections to the idea.

New Komeito Policy Research Council Chairman Yoshihisa Inoue called on the government to show a detailed basis the calculations used in working out the amount needed to shift the primary balance into the black. The New Komeito, which places importance on next year's simultaneous local elections and Upper House election, is concerned that a substantial constraint on social security expenses will work against the party, for it has advocated welfare-oriented policy measures.

Major battle ahead next summer

LDP Upper House Caucus Chairman Mikio Aoki yesterday held a meeting with first-term Lower House lawmakers who are close to Chief Cabinet Secretary Shinzo Abe at LDP headquarters and inflamed a sense of alarm about the Upper House election. He noted: "Next year's Upper House election will be a major battle. The Democratic Party of Japan (DPJ = Minshuto) will try to take office and fight without regard to policy issues."

Upper House members who are up for reelection next year were elected in 2001, boosted by amazingly high popularity ratings for Prime Minister Junichiro Koizumi, who just came into office that year. Seeing that the party will have an uphill battle, the LDP executive in the Upper House is now trying to gain organized votes. As such, major cuts in public works could dampen its strategy.

The LDP leadership is also likely to propose a settlement with the LDP Upper House members with a so-called elastic clause designed to correct the pace of the process of cutting expenditures according to economic conditions. However, such a strategy, if it comes out at an early stage, could dampen

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enthusiasm for fiscal reconstruction.

How to steer the fiscal recapitalization process is one of the most important agenda items for the successor to Koizumi.

The prime minister yesterday evening met reporters and stressed: "How to make up for (the balance between revenues and expenditures) by cutting expenditures and increasing revenues is an issue whoever becomes prime minister or whichever party takes the reins of government."

(6) Editorial: Japan's national interests really considered first in delaying critical legislation?

The Diet will now wind up its current session in six days. Prime Minister Junichiro Koizumi has said he would not extend the current Diet session, and many important legislative measures will be carried over to the next Diet session.

These critical legislative measures include a bill to amend the Fundamentals of Education Law, a bill to establish a national referendum law for amendments to the Constitution of Japan, and a bill to upgrade the Defense Agency to the status of a ministry. These bills are all concerned with the foundation of Japan.

Prime Minister Koizumi, whose term as president of the ruling Liberal Democratic Party will expire in late September, said he would not extend the Diet session because there would be many other things to do. He instructed the LDP yesterday to do its best to legislate the vital bills at an extraordinary session of the Diet.

However, we wonder if the prime minister has fully endeavored to legislate the bills at the current Diet session. The prime minister himself presented the bills to the Diet. The premier should not task his successor with the heavy burden and should settle them.

The ruling and opposition blocs are compromising with each other on some bills that are now before the Diet. This tells that there is still room for the prime minister to display his leadership.

One of these bills is intended to establish an anticancer law, which requires the government to push ahead with anticancer measures. Another legislation is a North Korean human rights bill, which urges the government to impose economic sanctions on North Korea. These two bills, retouched by the LDP and the leading opposition Democratic Party of Japan (DPJ or Minshuto), are expected to clear the House of Representatives today.

In addition, there are many other legislative measures the ruling and opposition parties should work together to legislate in the national interests of Japan. These legislative measures include three bills presented by the LDP and the DPJ for Japan's sea-related rights and interests.

The LDP-presented bill is to create a sea architecture safety zoning law, which designates a safety zone with a radius of 500 meters around undersea resources prospecting rigs and penalize illegal intrusions into the zone. One of the two DPJ-presented

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bills is to enact a law intended to promote Japan's development of undersea resources. This DPJ-proposed legislation requires the government to develop undersea resources on its responsibility. The other DPJ-proposed legislation is for Japan to exercise its rights to probe natural resources and conduct marine research activities. This legislation bans foreign nationals from probing natural resources within Japan's exclusive economic zone (EEZ) waters. All these bills are for Japan to establish its first legal endorsement allowing Japan to protect its sea-related rights and interests. However, the Diet has yet to hold even a hearing of the two parties' explanations about the purports of these proposed legislations.

For one thing, the LDP is taking its pro-Chinese lawmakers into consideration. For another, the DPJ is laying emphasis on its difference from the LDP. The administrative and legislative bodies' negligence mars Japan's national interests.

In his January policy speech before the Diet, Prime Minister Koizumi cited an old saying: "One who is highly spirited must be prepared to die for his lofty will." We want him to settle as many difficult problems as possible.

SCHIEFFER